Economic Update

January 2008

Business Briefs

According to the Real Property Association of Canada, St. John's has the lowest commercial tax rate in Canada. On average, commercial property owners in St. John's pay tax rates of less than two per cent per $1,000 of assessed value. www.realpac.ca

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The St. John's metro area has gained population through interprovincial mobility, according to the latest release from the 2006 Census. Between 2001 and 2006, 18,280 people moved to the metro region, while 15,130 left the area for somewhere else in Canada. Of those who relocated to metro St. John's, 1,560 were from Toronto followed by Halifax (865) and Saint John (840). These numbers do not include those who moved to the capital city from somewhere else in the province.

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The rental market vacancy rate in the St. John's metro area decreased to 2.6 per cent in 2007, the lowest level since 2003. CMHC's rental market survey conducted during the first two weeks of October included the enumeration of 3,817 private apartment units within the St. John's metro area. The biggest improvement was in the St. John's East area, with a rate of 2.0 per cent compared to 4.6 per cent in 2006. As well, rental affordability in the St. John's metro area improved this year. The cost of renting a median price two-bedroom apartment did not increase in 2007, while the median income of renter households grew 6.8 per cent. www.cmhc.ca

A recent Conference Board of Canada report *City Magnets: Benchmarking the Attractiveness of Canada's Census Metropolitan Areas (CMA's)* compares 27 CMA's in Canada across seven domains: Economy, Health, Society, Housing, Environment, Innovation, and Education. The report indicated that St. John's is doing well in four economic indicators that measure growth: personal disposable income, productivity, GDP, and non-residential building permits. The St. John's CMA topped all other CMAs in productivity growth. St. John's posted a five-year productivity growth of 2.6 per cent per year due mainly to the increasing importance of the oil industry. Overall, St. John's ranked16th.

Aliant Family Fun Day Bowring Park

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The St. John's Board of Trade recently released the results of a survey of its members in commercial areas like the Avalon Mall, Village Shopping Centre, Kelsey Drive, Stavanger Drive, Topsail Road and downtown, indicating a rise in Christmas spending. The strength of the economy in the offshore and mining sectors are having a direct result on retail stores in St. John's. The survey indicated that the sales of winter clothes and toys have greatly increased since last year.

Economic Indicators

- **The New Housing Price Index for St. John's Metro increased by 6.7% to 140.2 in October 2007.**
- **The Consumer Price Index for St. John's Metro increased by 2.4% to 111.3 in November 2007.**

Labour Force Characteristics, St. John's Metro, *(three-month moving average unadjusted)*

	Nov 07	Chg.
Population	152,100	0.3%
Labour Force	102,000	-0.1%
Unemployment Rate	6.0%	-0.9pt
Employment Rate	63.1%	0.4pt
Participation Rate	67.1%	-0.2pt

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Business Approvals

Modern Printing Services Ltd., 276 Water St.

Hooked Up, 206 Duckworth St.

Hair salon, 39 Airport Heights Dr.

New Home Based Business

Art Studio, 34 Shaw St.

Vet clinic office, 296 Brookfield Rd.

Cleaning service, 127 Bay Bulls Rd.

City Building Permits (December 17, 2007)

Type	2006	2007
Commercial	$56,459,896	$40,943,482
Industrial	989,000	1,924,967
Institutional	79,390,690	17,912,995
Residential	101,830,497	156,010,145
Repairs	2,655,832	3,132,596
Total	**$241,325,915**	**$219,924,185**

City Initiatives

Affordable Housing Study

A recent report, *The Affordable Housing Study*, commissioned by the City examined the amount of, and need for housing in the not-for-profit category. The study reported that while there are 4,501 affordable houses, units, or beds in the city; there were 5,622 people in the city receiving some kind of income support in 2006. Of those receiving support, 35 per cent were single people, which is a major problem for a city that built it's not-for-profit housing in a time when families needed three-and-four bedroom houses. The report points out that updating and refurbishment is needed for the housing that is available. The report also recommended that the City form an affordable housing action committee to advise City Council on how to facilitate affordable housing projects with other levels of government.

Upcoming Events

Guest Advisor Program – Small Business Financing	Jan 15	e-mail: info@cbsc.ic.gc.ca
Guest Advisor Program – Income Tax Specialist	Jan 16	e-mail: info@cbsc.ic.gc.ca
Guest Advisor Program – Legal Services	Jan 17	e-mail: info@cbsc.ic.gc.ca
Guest Advisor Program – E-Business with Student Connections	Jan 18	e-mail: info@cbsc.ic.gc.ca
YMCA Northeast Avalon–Start Your own Business Information Session	Jan 21	e-mail: ksummers@ynortheastavalon.com
Lean Manufacturing Certificate Program, Level 1	Jan 22	e-mail: david.haire@cme-mec.ca
Business Development Summit	Jan 24	www.bot.nf.ca
Atlantic Coldwater Shrimp Conference	Jan 29–30	www.coldwatershrimp.ca/
NOIA Annual General Meeting	Jan 31	www.noianet.com